

July 26, 2016

To Whom It May Concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the Generic Clearance for Federal Student Aid Customer Satisfaction Surveys and Focus Groups Master Plan (Docket No.: ED-2016-ICCD-0063). NASFAA represents more than 3,000 member institutions and its broad membership serves nine out of every 10 undergraduates in the country.

The Office of Federal Student Aid (FSA) is a valued partner in NASFAA's commitment to college access and success, and as such we appreciate this opportunity to make the following recommendations with respect to information collection activities.

1. Formally Establish School Operational Feedback Groups

In April of 2016, NASFAA surveyed its membership about their operational encounters with FSA and respondents identified what they experienced as unreasonable accountability demands placed on them without corresponding accountability standards for FSA. Administration of federal student assistance is a highly complicated affair. In keeping with FSA's new strategic goal to "foster trust and collaboration among stakeholders," as well as its objective to support system participants in implementing requirements, FSA should establish and effectively utilize formal school operational feedback groups.

By consulting formally with a wide range of schools and partners before making operational changes and updates, FSA could rectify unanticipated problems or curtail damage caused by unintended consequences. The establishment of such user groups would help to ensure ongoing feedback and, as an example, may have forestalled or de-escalated the troubled implementation of Gainful Employment regulations.

Additionally, formal user feedback groups allow FSA to be more transparent in its deliberations and puts schools in a partnership position. In order for these to work effectively, feedback groups should be selected from within and by the institutional community, as opposed to being appointed solely by FSA.

2. Establish more robust performance metrics with basic, measurable customer service goals

The FSA FY2015-19 Strategic Plan includes the laudable goal to "foster trust and collaboration among stakeholders," however; the only performance metric that

corresponds to this goal for postsecondary institutions is the use of a short “ease of doing business” survey sent to institutions. NASFAA recommends developing a more robust measurement tool for quantifying and assessing this goal. The tool should measure basic customer service goals, such as measuring the time it takes to complete certain tasks, approve program additions or changes, respond to processing questions, and submit final compliance review reports.

In addition, FSA should publish basic customer service and operational targets on items that schools report as the most problematic areas in their encounters with ED. Those metrics should include targets for: approving Program Participation Agreement renewals or changes; issuing program review and FSA audit final reports; and response times for institutional requests for policy or procedural guidance.

3. Align customer satisfaction surveys of borrowers and FSA employees with FSA strategic goals and Principles of Student Loan Servicing

Another stated FSA strategic goal is to “improve quality of service for customers across the entire student aid life cycle.” Additionally, the Department of Education, Department of the Treasury, and the Consumer Financial Protection Bureau, in their *Joint Statement on Principles of Student Loan Servicing*, include accuracy as one of their four tenets. FSA measures Direct Loan servicers’ performance in this area with its customer service satisfaction survey of borrowers, one of five servicer performance measures. However, the National Consumer Law Center has pointed out that the current design of borrower satisfaction surveys does not accurately measure the quality of service or accuracy of information provided because there is no opportunity for borrowers to report whether they were advised of their full range of available options. The US Government Accountability Office (GAO) found in its May 2016 report, *Federal Student Loans: Education Could Improve Direct Loan Program Customer Service and Oversight*, that within the current servicer evaluation system there exists an implicit disincentive to servicers to give borrowers complete information about their repayment options since some options would result in loan transfer, negatively impacting another almost equally-weighted servicer performance measure based on number of borrowers in repayment. Borrower surveys could be improved to ask more pointedly if certain options were described as opposed to simply rating general satisfaction with servicer interactions.

With respect to program integrity, FSA includes customer satisfaction surveys of FSA employees as another servicer performance metric. However, the GAO (2016) noted that, as with the borrower surveys, the questions focus on FSA managers’ satisfaction with working with the servicers’ data systems, work products, information and communication, interactions, working relationship, and general overall experiences with the servicers and do not measure compliance directly. Surveys should be revised to specifically address issues of compliance.

Finally, institutions need some way to be formally consulted on servicer performance, which could be accomplished through a formal feedback group, as referenced above. Congress often seeks institutional feedback on loan servicing, clearly indicating the public interest in the institutional perspective. We find it troubling that FSA eliminated institutional surveys without implementing another, more formal and transparent way to collect institutional feedback.

We appreciate the opportunity to offer these comments and we look forward to working with you on these important application issues. Questions about our comments may be directed to Jill Desjean at desjeanj@nasfaa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Draeger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Justin Draeger, President & CEO